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RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE
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C O N F I D E N T I A L THE HAGUE 000609

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E.O. 12958: DECL: 03/20/2016
TAGS: [KTFN](#) [ETTC](#) [EFIN](#) [PTER](#) [PREL](#) [EUN](#) [NL](#)
SUBJECT: TREASURY A/S O'BRIEN'S MEETING WITH DUTCH MFA DG
SIBLESZ ON TERRORIST FINANCING AND EU CLEARINGHOUSE PROCESS

REF: 05 THE HAGUE 957

Classified By: ACTING DEPUTY CHIEF OF MISSION RICHARD HUFF,
REASONS 1.4 (B) AND (D).

11. (C) SUMMARY. In an open and frank exchange with visiting Treasury Assistant Secretary O'Brien, Director General Siblesz discussed the Dutch Foreign Ministry's establishment of a "Terrorism and New Threats" unit, designed to improve the exchange of information related to terrorism and international crime among relevant Dutch ministries and agencies. He also highlighted GONL efforts to implement global anti-money laundering/counterterrorism financing (AML/CTF) standards, including proposed legislation on banning internationally designated organizations and regulations on the supervision and prevention of abuse of charities and non-profits. Siblesz's comments on problems faced within the EU on delisting and designation issues reflected a willingness to continue to work with the USG on overcoming barriers to a more effective global AML/CTF sanctions regime. This message was cleared by Assistant Secretary O'Brien. END SUMMARY.

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BENEFITS OF AN INTEGRATED APPROACH

12. (SBU) Treasury Assistant Secretary for Terrorist Financing Patrick O'Brien visited The Hague March 14-16 to participate in the Dutch-hosted March 15-16 international conference on terrorist financing (reported septel). During a March 15 meeting on the margins of the conference, Hugo Siblesz, Director General for Political Affairs, Ministry of Foreign Affairs (MFA), briefed A/S O'Brien on the recent formation of a new "Terrorism and New Threats" (TND) unit within the Political Affairs Department (DPZ). While the DPZ continued to share responsibility for counterterrorism issues with other regional MFA departments (e.g., European Cooperation and Middle East Affairs departments), Siblesz said such a step was aimed at creating a focal point within

the MFA to improve the flow and sharing of information related to terrorism and international crime among relevant ministries (MFA, Justice, Interior, Finance, and Defense) and agencies/bodies (national intelligence services and Public Prosecutor's Office) and to support related enforcement operations.

13. (SBU) Siblesz said issues covered within TND largely mirrored those at the Office of the National Counterterrorism Coordinator (NCTb), established in January 2005 under the joint authority of the Ministries of Justice and Interior, including counterterrorism, anti-money laundering/counterterrorism financing (AML/CTF), trafficking in persons, drugs, and weapon smuggling and proliferation. TND also served to keep other Dutch ministries and agencies informed of global issues related to counterterrorism and potential implications for ongoing efforts in the Netherlands. Coordination between TND and the Finance Ministry on AML/CTF issues was especially close, Siblesz added.

14. (SBU) A/S O'Brien explained that reorganization efforts at the Treasury Department also sought to improve enforcement actions aimed at safeguarding the U.S. financial system and to increase the exchange of information on AML/CTF issues by bringing various functions and expertise together under the Office of Terrorism and Financial Intelligence (TFI) led by Treasury Under Secretary Stuart Levey. TFI included two main components: the Office of Terrorist Financing and Financial Crime (TFFC), headed by A/S O'Brien and responsible for formulating policy decisions related to regulatory changes, and the Office of Intelligence and Analysis (OIA), responsible for keeping policy decision-makers informed of relevant intelligence. TFFC also oversaw the integration of the work of the Financial Crimes Enforcement Network (FinCen), a financial reporting depository and responsible

for trend analysis, the Office of Foreign Assets Control (OFAC), which administers and enforces economic and trade sanctions, and the Treasury Executive Office for Asset Forfeiture (TEOAF), which administers the Treasury Forfeiture Fund for the deposit of non-tax forfeitures. The Dutch international conference on terrorist financing issues, A/S O'Brien noted, would include discussions on the benefits of such an integrated approach.

FOCUS ON IMPLEMENTATION

15. (SBU) With the establishment of global standards through the Financial Action Task Force's (FATF) 40 plus nine recommendations and relevant UN Security Council Resolutions, A/S O'Brien stressed that Treasury's priority was now implementation of these obligations. He highlighted TFFC's role in bringing together U.S. investigative agencies to complete a "U.S. Money Laundering Threat Assessment," publicly released in January, as the first step in judging implementation efforts thus far in the United States. This same group now planned to develop a strategy to address implementation shortcomings identified in the threat assessment. (NOTE. Embassy shared this threat assessment with GONL contacts on January 16. END NOTE.)

16. (C) Siblesz agreed that implementation was now the main challenge, including the completion of necessary legislation and regulatory systems at the national level. As an example, He noted current GONL efforts to approve legislation that would automatically ban organizations listed on international designation lists (see ref A and septel on GONL efforts to ban the Amsterdam branch of the Al Haramain Foundation). Other related GONL priorities included improved regulations at the EU and national level for the supervision and prevention of abuse of charities and non-profit organizations. A/S O'Brien suggested that the planned October 2006 European Commission conference on this subject could provide a useful platform for further progress in this area.

DELISTING PROCEDURES COULD EASE DESIGNATION CONCERNS

¶17. (C) Achieving consensus at the EU level on designation criteria for non-Al Qaida associated individuals and organizations was another GONL priority, Siblesz continued. He offered that establishing agreed delisting procedures, including at the UN level, could help overcome reluctance to designations by some EU member states with strong evidentiary standards (i.e., Germany and the Nordic countries). A/S O'Brien noted USG delisting procedures included a licensing mechanism to allow for the humanitarian payment of living expenses of designated individuals and family members as well as a judicial appeal process. This issue would also be addressed at the September U.S.-EU designation workshop under the auspices of the Finnish EU Presidency, he added.

LITTLE ACTION IN EU CLEARINGHOUSE

¶18. (C) When asked, Siblesz lamented the lack of any recent progress or substantive discussions within the EU designation (Clearinghouse) process. Meetings had become bureaucratic exercises, often degenerating into arguments over listing criteria. Moreover, EU member states remained deeply divided over such designations as Hizballah and the implications of a designation to regional peace efforts. The fact that different ministries/agencies (MFA, Justice, Finance, intelligence services) had the lead on designation issues within various member states was evident in Clearinghouse discussions and often served to widen differences on designation issues (e.g., support for administrative- versus judicial-based asset freezing actions). Dutch attempts to address this issue during their 2004 EU Presidency had not

gained much support, Siblesz noted. He suggested that greater awareness of the benefits of the Clearinghouse process was needed at the EU Council level. However, he worried that only a crisis (i.e., another terrorist attack) would force any movement in this area.

COMMENT -- DUTCH REMAIN STEADFAST PARTNERS

¶19. (C) The Dutch remain activists within the EU, UN, FATF and other international foras in pushing for improvements in international AML/CTF sanctions regimes. The creation of offices focused on enhancing the coordination of actions and the flow of information related to terrorism and international crime is an indication of the importance the Dutch give to these matters. Siblesz's open and frank exchange with A/S O'Brien on delisting and Clearinghouse issues also reflects a willingness to continue to work with the USG on overcoming some of the barriers to a more effective global AML/CTF sanctions regime.

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